

# AG EQUINE INDUSTRY DEVELOPMENT FUND

## FY 2005 Status Report

**PERIOD:**        **October 2004 – February 2005**

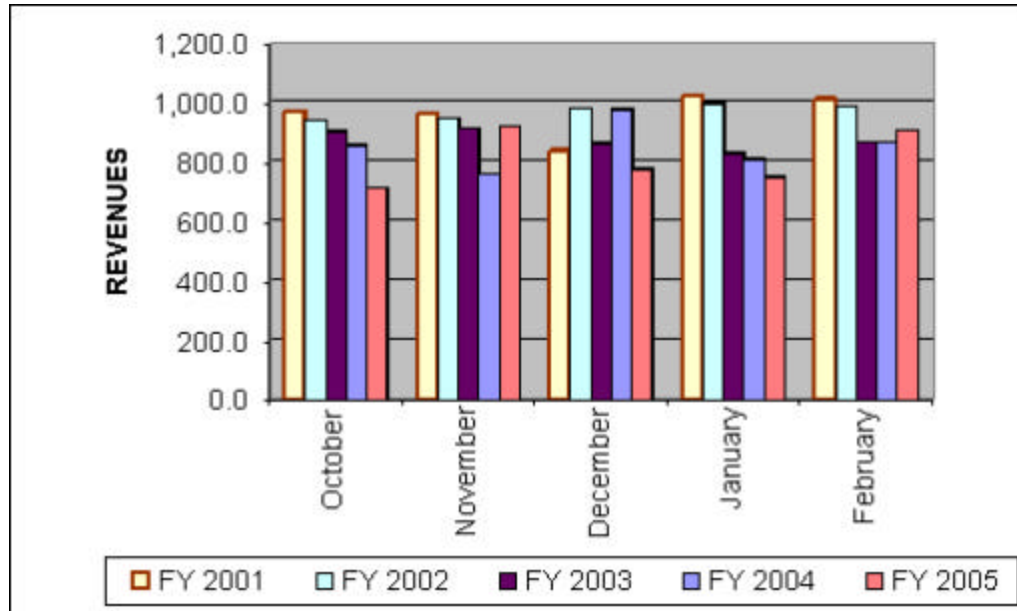
- Actual revenues for Simulcast Tax and Fees through February 2005 are 4.8% less than those collected in the same period as of February 2004 (\$4,273,800 in 2004 vs. \$4,067,500 in 2005).
- Actual revenues for Simulcast Tax and Fees through February 2005 are 3.9% less than those projected would be collected at this time. Initially, revenues at February 2005 were projected to be \$4,231,400; however, actual collections were \$4,067,500, which is \$163,932 or 3.9% under budget. If the trend continues, FY/05 annual simulcast revenues would be \$10,472,200. This is a \$227,800 or 2.1% decrease from the initial FY/05 revenue projection of \$10,700,000.
- In FY/05 a portion of the Casino Wagering Tax was allocated to the AG Equine Industry Development Fund. For the period October 2004 through February 2005 the Casino Tax revenue was \$2,440,000. As now projected, the tax will generate \$5,765,000 for the fund. This represents a \$265,000 or 12.2% increase from the initial FY/05 revenue projections of \$5,500,000.
- FY 2005 AG Equine Fund status includes:

+	FY 2004 Carry Forward	\$ 1,164,100
+	FY 2005 Simulcast Tax & Fees Revenue	10,472,200
+	FY 2005 Casino Tax Revenue	5,765,000
+	FY 2005 Uncashed Tickets	664,000
-	FY 2005 Appropriation	(17,302,200)
-	FY 2005 Reduction Package	<u>(692,500)</u>
	Projected Surplus	\$ 70,600

- Worksheets are attached.
- The FY 2005 Reduction Package included a supplemental to direct \$692,500 of the AG Equine Fund to fund Building and Track Improvements at fairs. This package was approved by both the House and Senate Appropriations Committees on March 23, 2005.
- The FY2005 Appropriation for Uncashed Winning Tickets is \$700,000. The actual collections of uncashed tickets from the 2004 racing season is \$664,020.
- Questions or comments regarding this information may be directed to Rich Ludwig, MDA Finance Division at (517)-373-9759 or email at ludwigr@michigan.gov.

- AG EQUINE INDUSTRY DEVELOPMENT FUND (in thousands)

MONTHLY COMPARISON - Simulcast Tax & Fees:

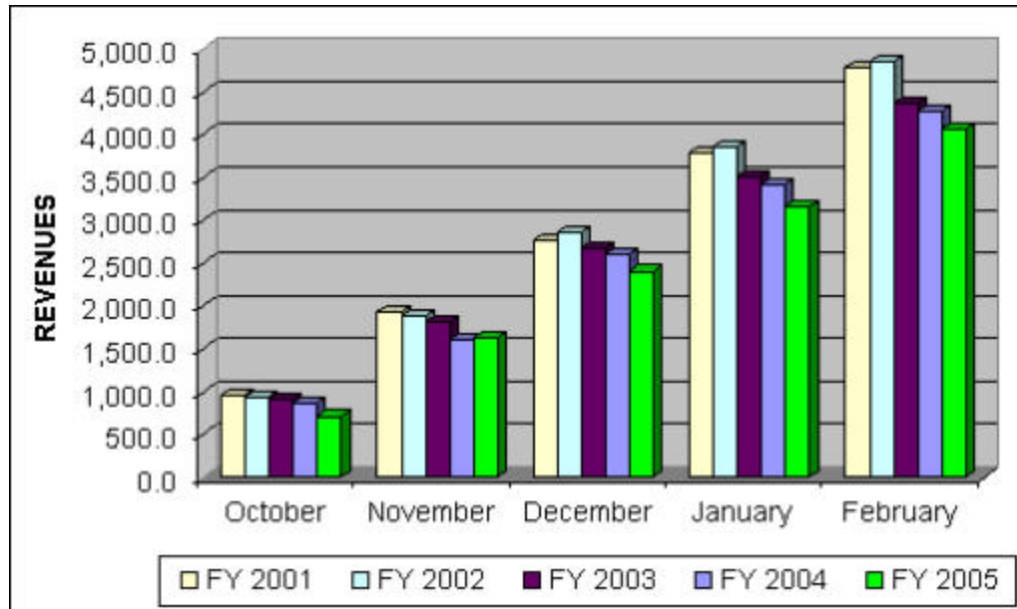


MONTHLY COMPARISON - Simulcast Tax & Fees:

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
October	965.9	940.8	903.8	856.8	712.3
November	961.3	946.2	914.1	759.6	919.2
December	838.1	981.1	863.2	978.9	776.4
January	1,020.2	996.2	830.3	811.3	750.8
February	1,010.0	987.1	865.8	867.2	908.7
March	1,122.7	1,068.3	1,004.2	1,126.1	
April	1,005.9	1,025.6	994.7	970.1	
May	1,151.3	1,204.3	1,121.8	1,110.9	
June	1,049.0	1,041.8	966.0	1,114.0	
July	1,015.9	1,000.3	1,028.8	921.7	
August	985.7	994.2	868.4	975.3	
September	895.8	874.7	980.5	842.3	

<b>TOTAL</b>	12,022.0	12,060.6	11,341.6	11,334.2	4,067.4
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YTD CUMULATIVE COMPARISON - Simulcast Tax & Fees:



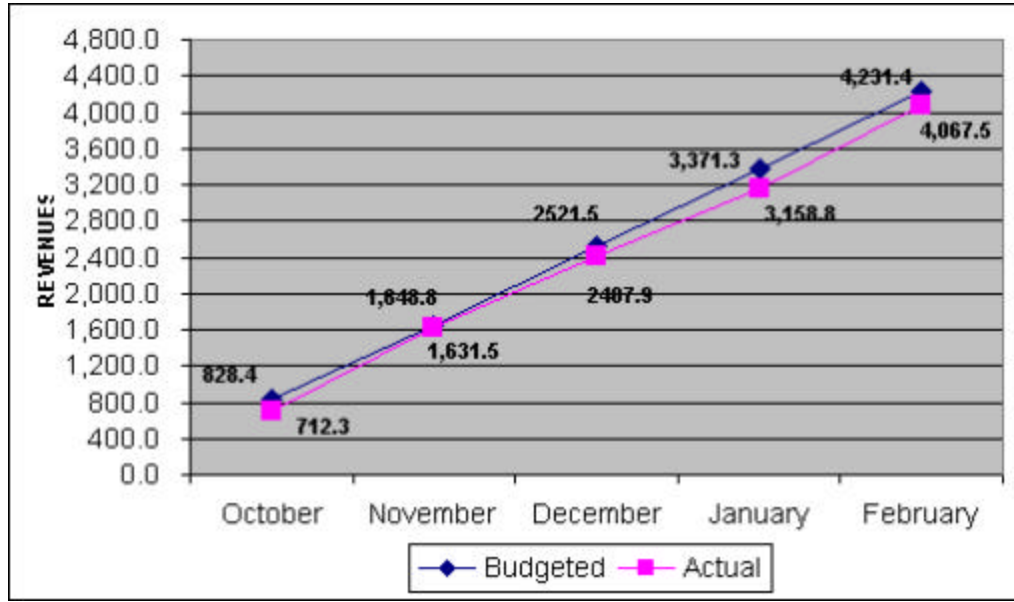
YTD COMPARISON - Simulcast Tax & Fees:

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
October	965.9	940.8	903.8	856.8	712.3
November	1,927.2	1,887.1	1,817.9	1,616.4	1,631.5
December	2,765.4	2,868.2	2,681.1	2,595.3	2,407.9
January	3,785.5	3,864.4	3,511.4	3,406.6	3,158.7
February	4,795.6	4,851.5	4,377.2	4,273.8	4,067.4
March	5,918.3	5,919.8	5,381.4	5,399.9	
April	6,924.2	6,945.4	6,376.1	6,370.0	
May	8,075.6	8,149.6	7,497.9	7,480.9	
June	9,124.6	9,191.5	8,463.9	8,594.9	
July	10,140.5	10,191.8	9,492.7	9,516.6	
August	11,126.2	11,185.9	10,361.1	10,491.9	
September	12,022.0	12,060.6	11,341.6	11,334.2	

## AG EQUINE INDUSTRY DEVELOPMENT FUND (in thousands)

### FY 2005 BUDGETED vs. ACTUAL: CUMULATIVE

For Simulcast Tax and Fees:



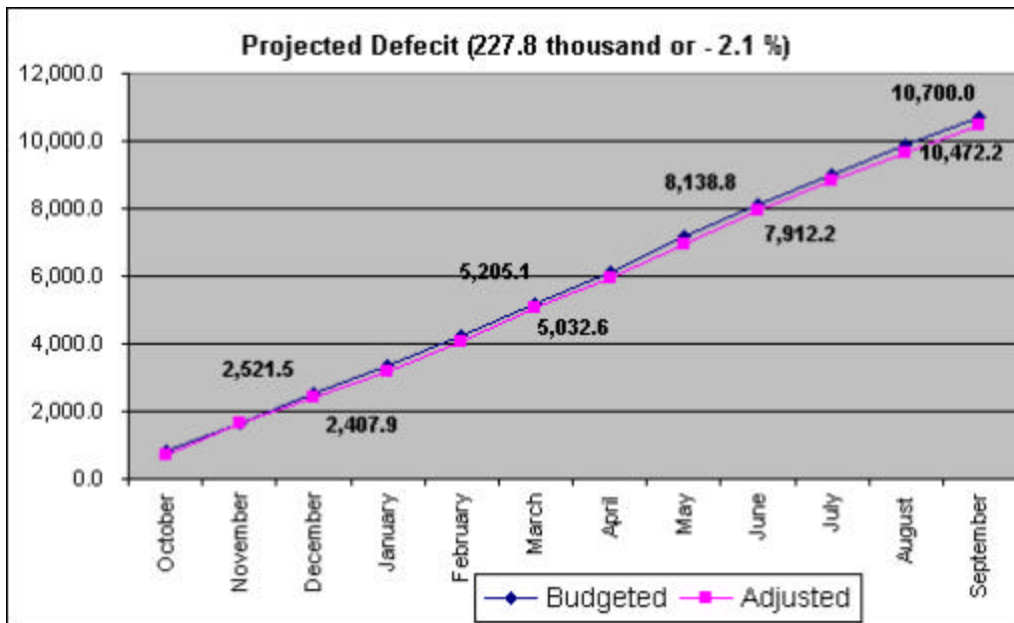
### FY 05 BUDGETED vs. ACTUAL - CUMULATIVE

For Simulcast Tax and Fees:

	Budgeted	Actual	VARIANCE	
			\$	%
October	828.4	712.3	(116.0)	-14.0%
November	1,648.8	1,631.5	(17.3)	-1.0%
December	2,521.5	2,407.9	(113.6)	-4.5%
January	3,371.3	3,158.8	(212.5)	-6.3%
February	4,231.4	4,067.5	(163.9)	-3.9%
March	5,205.1	0.0		
April	6,115.5	0.0		
May	7,173.7	0.0		
June	8,138.8	0.0		
July	9,023.3	0.0		
August	9,911.5	0.0		
September	10,700.0	0.0		

### FY 2005 PROJECTION: BUDGETED vs. ADJUSTED

BASED ON ACTUAL REVENUES COLLECTED FOR SIMULCAST TAX & Fees



### FY 05 PROJECTION - ADJUSTED BASED ON ACTUAL

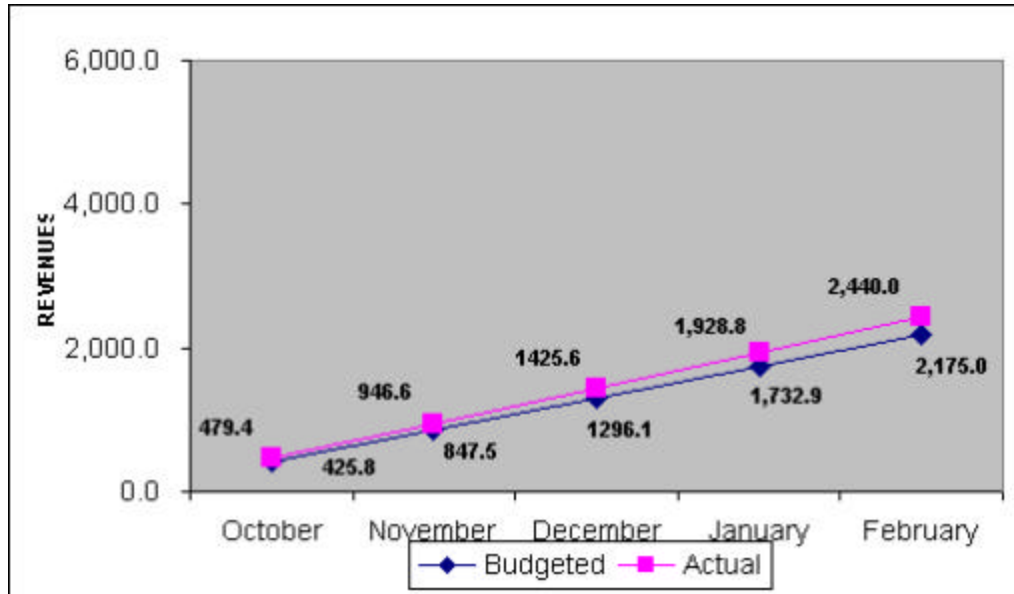
For Simulcast Tax and Fees:

	Budgeted	Adjusted		
			\$	%
October	828.4	712.3	(116.0)	-14.0%
November	1,648.8	1,631.5	(17.3)	-1.0%
December	2,521.5	2,407.9	(113.6)	-4.5%
January	3,371.3	3,158.8	(212.5)	-6.3%
February	4,231.4	4,067.5	(163.9)	-3.9%
March	5,205.1	5,032.6	(172.6)	-3.3%
April	6,115.5	5,934.3	(181.2)	-3.0%
May	7,173.7	6,970.2	(203.4)	-2.8%
June	8,138.8	7,912.2	(226.7)	-2.8%
July	9,023.3	8,802.2	(221.1)	-2.5%
August	9,911.5	9,657.5	(254.0)	-2.6%
September	10,700.0	10,472.2	(227.8)	-2.1%

## AG EQUINE INDUSTRY DEVELOPMENT FUND (in thousands)

### FY 2005 BUDGETED vs. ACTUAL: CUMULATIVE

For Casino Tax revenue:

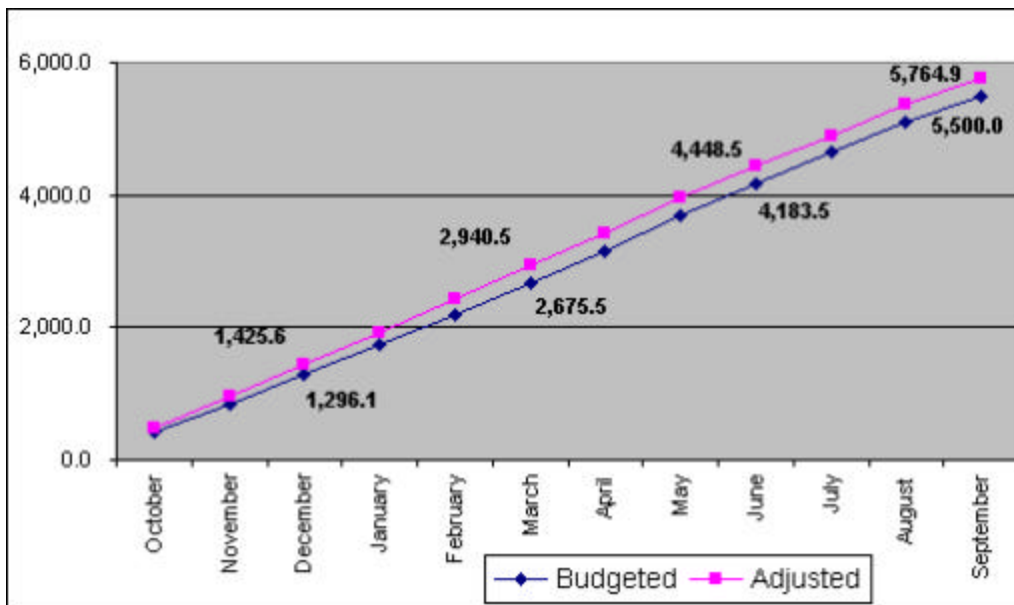


### FY 05 BUDGETED vs. ACTUAL - CUMULATIVE

For Casino Tax revenue:

	Budgeted	Actual	VARIANCE	
			\$	%
October	425.8	479.4	53.6	12.6%
November	847.5	946.6	99.1	11.7%
December	1,296.1	1,425.6	129.5	10.0%
January	1,732.9	1,928.8	195.9	11.3%
February	2,175.0	2,440.0	264.9	12.2%
March	0.0	0.0		
April	0.0	0.0		
May	0.0	0.0		
June	0.0	0.0		
July	0.0	0.0		
August	0.0	0.0		
September	0.0	0.0		

### FY 2005 PROJECTION: BUDGETED vs. ADJUSTED BASED ON ACTUAL REVENUES COLLECTED FOR CASINO TAX REVENUE



### FY 05 PROJECTION - ADJUSTED BASED ON ACTUAL

For Casino Tax Revenue:

	Budgeted	Adjusted	\$	%
October	425.8	479.4	53.6	12.6%
November	847.5	946.6	99.1	11.7%
December	1,296.1	1,425.6	129.5	10.0%
January	1,732.9	1,928.8	195.9	11.3%
February	2,175.0	2,440.0	264.9	12.2%
March	2,675.5	2,940.5		
April	3,143.5	3,408.4		
May	3,687.4	3,952.3		
June	4,183.5	4,448.5		
July	4,638.1	4,903.1		
August	5,094.7	5,359.7		
September	5,500.0	5,764.9		

AG EQUINE INDUSTRY DEVELOPMENT FUND - FY 2005 REVENUE PROJECTIONS (Simulcast Taxes + Fines/fees & Casino Tax)

BY MONTH....

	FISCAL 2002		FISCAL 2003		FISCAL 2004		FISCAL 2005 (Projected)				FY/05 ACTUAL			FY 2004	Simulcast		Total	
	ACTUAL		ACTUAL		ACTUAL		Simulcast	Casino	PROJ'D	3 YR	Simulcast	Casino	TOTAL	Actual	Variance		Variance	
	REVS	%	REVS	%	REVS	%	REVS	Tax REVS	REVS	AVG %	REVS	Tax REVS		Simulcast	\$	%	\$	%
Oct	940,839	7.80%	903,801	7.87%	856,794	7.56%	828,369	425,797	1,254,167	7.74%	712,325	479,385	1,191,710	856,794	(144,469)	-16.9%	334,916	39.1%
Nov	946,249	7.80%	914,135	7.87%	759,619	6.70%	820,263	421,630	1,241,893	7.67%	919,213	467,250	1,386,463	759,619	159,594	21.0%	626,844	82.5%
Dec	981,113	8.10%	863,190	7.73%	978,868	8.64%	872,724	448,597	1,321,321	8.16%	776,390	478,968	1,255,358	978,868	(202,478)	-20.7%	276,491	28.2%
Jan	996,201	8.30%	830,271	8.37%	811,321	7.16%	849,728	436,776	1,286,504	7.94%	750,825	503,208	1,254,033	811,321	(60,497)	-7.5%	442,712	54.6%
Feb	987,100	8.20%	865,760	8.27%	867,200	7.65%	860,177	442,147	1,302,324	8.04%	908,749	511,173	1,419,923	867,200	41,549	4.8%	552,722	63.7%
Mar	1,068,280	8.90%	1,004,163	9.10%	1,126,144	9.93%	973,700	500,500	1,474,200	9.10%			0	1,126,144				
Apr	1,025,587	8.50%	994,703	8.47%	970,097	8.56%	910,387	467,956	1,378,343	8.51%			0	970,097				
May	1,204,280	10.00%	1,121,872	9.87%	1,110,946	9.80%	1,058,139	543,903	1,602,042	9.89%			0	1,110,946				
June	1,041,822	8.60%	966,012	8.63%	1,113,962	9.83%	965,165	496,113	1,461,279	9.02%			0	1,113,962				
July	1,000,310	8.30%	1,028,765	8.37%	921,723	8.13%	884,466	454,632	1,339,098	8.27%			0	921,723				
Aug	994,165	8.20%	868,426	8.10%	975,291	8.60%	888,243	456,574	1,344,817	8.30%			0	975,291				
Sept	874,670	7.30%	980,493	7.37%	843,327	7.44%	788,465	405,286	1,193,751	7.37%			0	843,327				
TOT	12,060,616	100.00%	11,341,591	100.00%	11,335,294	100.00%	10,700,000	5,500,000*	16,200,000	100.00%	4,067,502	2,439,984	6,507,486	11,335,294	(206,300)	-1.8%	2,233,684	19.7%

ADJUSTED CUMULATIVE BASED ON ACTUAL....

	FISCAL 2002		FISCAL 2003		FISCAL 2004		3 YR AVERAGE		FY/05 ACTUAL / Projected			FY/05		Simulcast		Casino Tax		Total		
	ACTUAL	mo as	ACTUAL	mo as	ACTUAL	mo as			Simulcast	Casino	TOTAL	Budgeted	Budgeted	Variance		Variance		Variance		
	REVS	% of tot	REVS	% of tot	REVS	% of tot	\$	%	REVS	Tax REVS		Simulcast	Casino Tax	\$	%	\$	%	\$	%	
Oct	940,839	7.8%	903,801	8.0%	856,794	7.6%	900,478	7.8%	Actual	712,325	479,385	1,191,710	828,369	425,797	(116,044)	-14.0%	53,587	12.6%	(62,457)	-5.0%
Nov	1,887,088	15.6%	1,817,936	16.0%	1,616,413	14.3%	1,773,812	15.3%	Actual	1,631,538	946,634	2,578,173	1,648,805	847,517	(17,267)	-1.0%	99,118	11.7%	81,851	3.3%
Dec	2,868,201	23.8%	2,681,126	23.6%	2,595,281	22.9%	2,714,869	23.4%	Actual	2,407,929	1,425,603	3,833,531	2,521,530	1,296,113	(113,601)	-4.5%	129,489	10.0%	15,888	0.4%
Jan	3,864,402	32.0%	3,511,397	31.0%	3,406,602	30.1%	3,594,134	31.0%	Actual	3,158,753	1,928,811	5,087,564	3,371,258	1,732,889	(212,504)	-6.3%	195,921	11.3%	(16,583)	-0.3%
Feb	4,851,502	40.2%	4,377,157	38.6%	4,273,803	37.7%	4,500,821	38.8%	Actual	4,067,502	2,439,984	6,507,486	4,231,435	2,175,037	(163,932)	-3.9%	264,948	12.2%	101,015	1.6%
Mar	5,919,782	49.1%	5,381,320	47.4%	5,399,947	47.6%	5,567,016	48.1%		5,032,555	2,940,484	7,973,039	5,205,135	2,675,537	(172,579)	-3.3%			92,368	1.2%
Apr	6,945,369	57.6%	6,376,023	56.2%	6,370,044	56.2%	6,563,812	56.7%		5,934,285	3,408,440	9,342,725	6,115,522	3,143,492	(181,237)	-3.0%			83,711	0.9%
May	8,149,649	67.6%	7,497,895	66.1%	7,480,990	66.0%	7,709,511	66.6%		6,970,249	3,952,343	10,922,592	7,173,660	3,687,396	(203,412)	-2.8%			61,536	0.6%
June	9,191,471	76.2%	8,463,907	74.6%	8,594,953	75.8%	8,750,110	75.6%		7,912,150	4,448,456	12,360,606	8,138,826	4,183,509	(226,675)	-2.8%			38,272	0.3%
July	10,191,781	84.5%	9,492,672	83.7%	9,516,676	84.0%	9,733,710	84.1%		8,802,151	4,903,088	13,705,239	9,023,292	4,638,141	(221,141)	-2.5%			43,807	0.3%
Aug	11,185,946	92.7%	10,361,098	91.4%	10,491,967	92.6%	10,679,670	92.2%		9,657,520	5,359,662	15,017,182	9,911,535	5,094,714	(254,015)	-2.6%			10,932	0.1%
Sept	12,060,616	100.0%	11,341,591	100.0%	11,335,294	100.0%	11,579,167	100.0%		10,472,157	5,764,948	16,237,104	10,700,000	5,500,000	(227,844)	-2.1%			37,104	0.2%

NOTE: Although Appropriation Level was \$6.1 million, early collections indicate the Casino Tax at \$5.5 million.

AG EQUINE INDUSTRY DEVELOPMENT FUND - FY 2005 REVENUE

REVENUE	OCTOBER 2004			NOVEMBER 2004			DECEMBER 2004			JANUARY 2005			FEBRUARY 2005			MARCH 2005			Total
	Stdbred	Thgbred	Total	Stdbred	Thgbred	Total	Stdbred	Thgbred	Total	Stdbred	Thgbred	Total	Stdbred	Thgbred	Total	Stdbred	Thgbred	Total	
<b>SIMULCAST TAX</b>																			
Great Lakes	10,001	17,262	27,263	9,431	23,050	32,481	7,838	14,254	22,092	9,179	15,961	25,140	11,047	20,860	31,906				
Hazel Park	101,976	216,619	318,595	140,786	277,777	418,564	139,422	202,135	341,557	125,384	191,027	316,411	171,709	274,919	446,627				
Jackson	12,808	15,901	28,710	17,636	20,089	37,725	17,724	15,286	33,010	15,837	16,031	31,868	19,045	18,761	37,806				
Mt. Pleasant	1,232	4,394	5,626	1,302	3,966	5,268	1,888	3,669	5,557	2,232	3,850	6,082	1,950	3,637	5,587				
Northville Downs	0	0	0	0	0	0	0	0	0	71,886	137,752	209,639	87,160	179,157	266,316				
Northville Racing Corp	67,216	158,976	226,192	84,724	214,581	299,305	88,309	164,897	253,207	4,076	15,554	19,630	0	0	0				
Saginaw	11,558	16,039	27,597	13,657	17,195	30,851	14,081	13,170	27,251	13,682	13,493	27,175	14,094	16,465	30,559				
Sports Creek	31,678	40,159	71,837	33,737	52,456	86,193	33,751	40,386	74,137	34,545	39,970	74,514	34,934	47,557	82,491				
TOT SIMUL TX REV	236,469	469,352	705,820	301,273	609,115	910,388	303,013	453,798	756,810	276,822	433,638	710,460	339,938	561,356	901,294	0	0	0	3,984,772
<b>OTHER</b>																			
Occupational Lics			3,875			6,900			18,145	0		0							28,920
Horse Race Lics										38,465		38,465			3,215				41,680
Racing Fines			2,705			1,925			1,435	1,900		1,900			4,240				12,205
Other Misc Revs			(75)							0		0							(75)
TOTAL OTHER REV	0	0	6,505	0	0	8,825	0	0	19,580	40,365	0	40,365	0	0	7,455	0	0	0	82,730
TOTL REVS NO OUTS	236,469	469,352	712,325	301,273	609,115	919,213	303,013	453,798	776,390	317,187	433,638	750,825	339,938	561,356	908,749	0	0	0	4,067,502
UNCASHED TICKETS									118,588			0							118,588
MI GAMING REVENUE			479,385			467,250			478,968			503,208			511,173				2,439,984
TOTAL REVS	236,469	469,352	1,191,710	301,273	609,115	1,386,463	303,013	453,798	1,255,358	317,187	433,638	1,254,033	339,938	561,356	1,419,923	0	0	0	6,507,486
REVENUE	APRIL 2005			MAY 2005			JUNE 2005			JULY 2005			AUGUST 2005			SEPTEMBER 2005			Total
	Stdbred	Thgbred	Total	Stdbred	Thgbred	Total	Stdbred	Thgbred	Total	Stdbred	Thgbred	Total	Stdbred	Thgbred	Total	Stdbred	Thgbred	Total	
<b>SIMULCAST TAX</b>																			
Great Lakes																			
Hazel Park																			
Jackson																			
Mt. Pleasant																			
Northville Downs																			
Northville Racing Corp																			
Saginaw																			
Sports Creek																			
Undist. Simulcast Rev																			
TOT SIMUL TX REV	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,984,772
<b>OTHER</b>																			
Occupational Lics																			28,920
Horse Race Lics																			41,680
Racing Fines																			12,205
Other Misc Revs																			(75)
TOTAL OTHER REV	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	82,730
TOTL REVS NO OUTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,067,502
UNCASHED TICKETS			0			0			0			0			0			0	118,588
MI GAMING REVENUE			0			0			0			0			0			0	2,439,984
TOTAL REVS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,507,486

NOTE: Breakdown of the Simulcast Horse Race Revenue is available upon request.